

rights or remedies regardless when shipped, received or accepted, or as to any prior or subsequent default hereunder, nor shall any purported oral modification operate as a waiver of any of the Agreement terms.

Section 14. Assignment

This Agreement shall not be assigned by either party without first receiving the other party's written consent.

Section 15. Representation of Producer

Producer will, at all times during the Term and any renewed or extended term hereof, be supervised by a licensed veterinarian and will properly use any applicable drugs and adhere to the required withdrawal procedures. Producer must be on the Pork Quality Assurance Program and must be at Level III of the Pork Quality Assurance Program.

Section 16. Representation of IBP

IBP shall keep all necessary records with respect to the receipt, weighing, and payment of all livestock in accordance with its regular record retention and destruction schedule. Producer may inspect such records during the normal business hours at locations designated by IBP on reasonable notice by Producer to IBP. IBP shall supply copies of such records as Producer may reasonably request at Producer's expense. On a monthly basis IBP will send to Producer a statement showing the balance of the Reserve Account or the Deficiency Account.

Section 17. Producer Financials

Producer must at all times be able to demonstrate its financial soundness to IBP and to provide evidence thereof upon the request of IBP. In light of the term of the contract, Producer must demonstrate at all time the ability and likelihood that the Producer's Facilities will be operational and producing hogs for the Term. If Producer is at 60% of the maximum of the Deficiency Account, Producer must provide IBP financials on a quarterly basis so that IBP may verify the financial soundness of Producer. If IBP becomes concerned with Producer's financial soundness, the parties will discuss IBP's concerns and will use reasonable efforts to address IBP's concerns and reduce IBP's financial risk due to changes in Producer's financial condition.

Section 18. Confidentiality

The parties acknowledge and agree that in connection with, or as a result of, this Agreement, each party may be furnishing the other party with certain information which is either non-public, confidential or proprietary in nature ("Confidential Information"). Each party's Confidential Information will be kept confidential by the other party and shall not, without prior written consent, be disclosed by the other party to any other person or entity or be used by the other party for any purpose other than in connection with this Agreement. This Agreement and its terms shall be considered the Confidential Information of IBP. The term Confidential Information shall not include information which (i) is or becomes generally available to the public, through no fault of the other party; (ii) is or becomes known or available to the other party on a non-confidential basis and not in